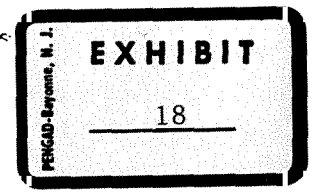
MEMORANDUM

To: Chuck La Bella

From: [redacted] ANY NAME

Subj: Participation in Campaign Finance Task Force




Pursuant to the MOU executed at the request of the EOUSA, the period of my on-site participation in the Campaign Finance Task force ends on January 31, 1998. I plan to give notice to the Lansburgh that I will vacate my apartment on that date.

As you know, the substantive matter for which I have been individually responsible is the assessment of the allegations first made by Common Cause in October 1996. For the reasons set out below, I do not believe I have a further role to play in the Department's response, if any, to those allegations. I will continue to assist in whatever way I can the Task Force effort to bring other pending matters to indictment or declination, as appropriate. Further, if any case is later set for trial, I will be glad to play any part in the prosecution which you find helpful.

The Common Cause Allegations

From the beginning, you made it clear to me that the goal of the Task Force was, as expeditiously as possible, to close matters devoid of prosecutorial merit, to bring to indictment those matters with merit, and to recommend appointment of independent counsel when warranted. You have been steadfast in adhering to that goal. As a result, I approached the Common Cause allegations with no preconceptions, and with no predisposition as to how they should be handled. Initially, I attempted to answer the simple-minded questions I always ask when first confronted with allegedly fraudulent conduct (Did something bad/harmful happen? Do we know who is responsible? Is there a criminal remedy for the conduct?).

In fairly short order it became clear that the purpose of the presidential public funding statutes had been corrupted by the two major parties and their candidates, both of whom intentionally spent millions of dollars beyond their voluntarily agree-to spending limits. In addition, the pressure to produce those millions led, I believe, to many, if not most, of the election law violations that permeated political fund raising in 1995-96.

The pool of persons potentially responsible for this corruption is both limited and well known. There are criminal statutes applicable to this conduct, and at this point we simply cannot say that the conduct is not prosecutable, as a matter of law. What we do not know, without investigating, is whether or not we could responsibly initiate criminal prosecutions.

That, to date, we have been unable to investigate the Common Cause allegations in a straightforward way has been a great personal and professional disappointment. But, I believe the public has been most dis-served by the way in which the "whether to investigate" issue has been approached, debated, and resolved. Never did I dream that the Task Force's effort to air this

issue would be met with so much behind-the-scenes maneuvering, personal animosity, distortions of fact, and contortions of law.[1] (It also is my impression that many involved have not read the pertinent cases.) All this, not to forestall an ill-conceived indictment, not to foreclose a report making an independent counsel referral, but to prevent any investigation of a matter involving a potential loss of over $180 million to the federal treasury.

You, of course, are well informed of my views. By no means do I minimize the real impediments to a prosecution. Yet, nearly every day something developed in other investigations comes to our attention, which has significance to the Common Cause allegations. As an example, I have recently been directed to the deposition testimony of Harold Ickes in which he states: that only he and Sosnick had the power to authorize payment of the media consultants' bills [9/22/97 Senate Depo. p. 62]; that he decided whether the DNC or C/G Committees would pay a particular bill [9/22/97 Senate Depo. pp. 64-5]; and that while he thinks that the DNC and C/G Committees signed separate contracts with the media consultants, he's not sure he ever saw them [9/22/97 Senate Depo. pp. 78-9]. Thus, it appears that the President's Deputy Chief of Staff (who was not an employee of the DNC) determined which media ads the DNC paid for, without regard to the DNC's contractual liability, if any.

I realize that I have moved from a neutral position to that of an advocate for investigating the Common Cause allegations. Further, I now believe that the only responsible step, likely to uncover the facts, is a grand jury investigation. That position, coupled with the mutual loss of confidence evident between myself and those outside the Task Force who have weighed in on this issue, leads to the inevitable conclusion that I can no longer play a useful role in the evaluation or pursuit of the Common Cause allegations.

---

[1] I will not repeat the details, most of which you already know. While I recognize that there have been legitimate disagreements, some positions urged in support of avoiding any investigation have been so plainly wrong as to be disheartening (e.g., the suggested referral to the FEC, on the misapplication of the MOU with that agency, with the claim that the FEC cold refer the case back after it checked out the ad content, but with the unspoken reality that no criminal investigation would ever happen -- certainly not within the three-year statute of limitations; or the contention that an independent counsel referral must be made immediately if any investigation is even authorized).